

Date April 23, 2012

RESOLUTION APPROVING FIRST AMENDMENT TO THE ECONOMIC
DEVELOPMENT FINANCIAL ASSISTANCE CONTRACT BY KEMIN
INDUSTRIES, INC., THE CITY OF DES MOINES, AND THE IOWA DEPARTMENT
OF ECONOMIC DEVELOPMENT

WHEREAS, Kemin Industries, Inc. (hereinafter "Kemin") has undertaken to invest approximately \$39,600,000 to implement its Five-year Capital Improvement Plan to expand its home office, research and manufacturing facilities at 2100 Maury and to retain 332 jobs and create 98 new jobs within the next five years within the City of Des Moines (collectively the "Kemin Project") subject to receipt of financial assistance from the State and City of Des Moines; and,

WHEREAS, on June 13, 2011, by Roll Call No. 11-1048, the City Council approved an Urban Renewal Development Agreement with Kemin Industries, Inc., whereby the City agreed to sell City-owned land needed for the expansion of the Kemin corporate campus, and to provide a Forgivable Loan and Economic Development Grant to Kemin in consideration of Kemin's agreement to undertake the Kemin Project; and,

WHEREAS, on June 27, 2011, by Roll Call No. 11-1113, the City Council approved an *Economic Development Financial Assistance Contract* (the "IDED Contract") between the Iowa Department of Economic Development, Kemin and the City whereby Kemin was awarded a forgivable loan in the amount of \$1 million and Enterprise Zone tax incentives by IDED to assist it in the implementation of the Kemin Project; and,

WHEREAS, the IDED Contract, unlike the City's Urban Renewal Development Agreement, did not address Kemin's use of other related entities to assist in meeting the financing, construction and employment obligations assumed by Kemin; and,

WHEREAS, Kemin has requested that the IDED Contract be amended to allow other companies under common ownership and control with Kemin, to assist in meeting the obligations assumed by Kemin and to benefit from the financial assistance provided to Kemin, all as set forth in the *First Amendment to the Economic Development Financial Assistance Contract* which is on file and available for inspection by the public in the office of the City Clerk; and,

WHEREAS, in the accompanying Council Communication, the City Manager recommends that the City Council approve the *First Amendment to the Economic Development Financial Assistance Contract*; NOW THEREFORE,

BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. The *First Amendment to Economic Development Financial Assistance Contract* as

Date June 27, 2011

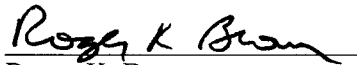
described above is hereby approved.

2. The Mayor is hereby authorized and directed to execute the *First Amendment to Economic Development Financial Assistance Contract* on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on such document.

(Council Communication No. 12-188)

MOVED by _____ to adopt.

FORM APPROVED:



Roger K. Brown

Assistant City Attorney

C:\Rog\Eco Dev\Kemin\DEED Agr\RC 12-04-23 1st Amend.doc

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				

MOTION CARRIED

APPROVED

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Mayor

City Clerk



INSPIRED MOLECULAR SOLUTIONS™



23

Kemin Industries, Inc.
2100 Maury Street
Des Moines, IA 50317, USA
toll free: 800.777.8307
www.kemin.com

April 12, 2012

Mr. Paul Stueckradt
Iowa Economic Development Authority
200 East Grand Avenue
Des Moines, Iowa 50309

Dear Mr. Stueckradt:

As you know, Kemin Industries, Inc., the Iowa Department of Economic Development and the City of Des Moines entered into Contract Number 11-IVF/TC-022 effective July 11, 2011 ("Agreement") awarding financial assistance to Kemin Industries, Inc. in the form of a forgivable loan in the amount of \$1,000,000 and tax incentives in the amount of \$ 3,612,400.

Please accept this letter as Kemin's request to revise the Agreement to add other Kemin companies to the Agreement. All of the Kemin companies located in Des Moines, (Kemin Industries, Inc., Kemin Foods LC, and Kemin Holdings LC) will cumulatively participate in the contribution of assets and jobs as part of Kemin's development project. The cumulative effort of all three entities will participate in fulfilling the obligations imposed by the Agreement and all three entities should also benefit from the award of tax credits under the Agreement.

We believe this is not a substantive change to the Agreement as we had anticipated that Kemin would be presenting consolidated numbers to the State to demonstrate that Kemin's obligations had been met during the term of the Agreement.

We are asking approval of this amendment and we have proposed language for the amendment that was delivered by courier on Wednesday April 11, 2012.

If you have any questions, please let me know.

Sincerely,
KEMIN INDUSTRIES, INC

Christopher E. Nelson PhD
President

cc: Terry Vorbrich